



## Campaigning Vs. Governing by Geoff Kelly



### Campaigning vs. Governing

Around here, political campaigns not typically heat up until late summer, when folks have returned from their vacations and advertising dollars are not wasted on unwatched televisions, unread newspapers, and unheeded radios.

The serious ad buys have yet to begin in the race between Republican incumbent **Chris Collins** and Democratic challenger **Mark Poloncarz** for Erie County executive. However, the free media squabbling between candidates—courtesy of what some call news coverage—intensified in the last week. The two bones of contention over which the candidates scrapped were the county's short-term borrowing policy and Collins' proposal, unveiled last week, to reduce the county's debt by \$196 million by 2015. Both subjects are interesting in themselves, but equally interesting is the way the candidates, who are also of course public officeholders, engaged the other in debate.

First, debt reduction. Last Thursday, Collins described his intention to have reduced the county's debt by \$196 million, should he win a second term. (Okay, he didn't explicitly say that debt reduction depended on his being re-elected, but what else are we to make of the fact that plan's end date is 2015?) That figure includes \$143 million in debt reduction that Collins claims he will have achieved by the end of this year. That \$143 million includes **\$100 million in debt belonging to the Erie County Medical Center**, a debt for which the county remains both guarantor and obligor—that is, taxpayers are the hook, should ECMC default. Collins also included \$37 million in debt reduction achieved in 2007, **before he'd taken office**.

That afternoon, the comptroller's office—not Poloncarz's campaign headquarters—issued this parsing of Collins' plan:

"This is yet another example of the Collins administration's reliance on 'smoke and mirrors' to artificially inflate numbers in an attempt to mislead the public. The fact of the matter is that the vast majority of his supposed \$200 million in debt reduction by 2015 is completely made up."

"First, Collins overstates his numbers by including more than \$37 million in debt retired in 2007, the year before he even took office. He didn't retire a single dollar of that debt. Its inclusion is wholly inappropriate and is lumped in to help inflate his numbers. The reality is that in January 2008, when Collins took office, the County's debt stood at \$525 million, not \$562 million.

"Second, although he would like to pretend that more than \$100 million in debt related to the Erie County Medical Center Corporation ("ECMC") is 'off the County books,' the County is still legally obligated to guarantee that debt, must identify it under New York State law as a long-term outstanding indebtedness obligation of the County, and we would be forced to pay it if ECMC were to ever default. Furthermore, while Collins continually boasts about taking 'Erie County out of the hospital business,' County taxpayers are still on the hook for more than \$16 million a year as part of the settlement.

"When looking at the real debt numbers, starting with the actual County debt when Collins took office (\$525 million) and the actual debt as of the end of 2010 (\$546 million), the reality is Chris Collins didn't reduce debt by a single dollar in his first three years in office, but actually increased it by more than \$20 million.

"Only this year, has the County's debt been reduced. And, while Collins claims that by the start of 2012 he will have reduced the County's debt by \$143 million, when you dig a little deeper, that \$143 million is really only about \$10 million."

Poloncarz is right about the ECMC debt: It is as absurd to argue that the \$100 million represents debt reduction as it would be to argue that all the guaranteed debt accumulated by New York State's public authorities is something other than public debt.

The official response to Poloncarz's criticism came not from the county executive's office, which was the source of the Collins plan, but from Collins' campaign spokesman, **Stefan Mychajliw**. Mychajliw issued a statement that began, "We know Mark Poloncarz has a problem with the truth. Now we know he struggles with basic math." Mychajliw then reiterated the claim that re-booking the \$100 million in ECMC debt represented legitimate debt reduction, without offering an argument for why that was so, and then tacked on a couple diversionary attacks on Poloncarz's record.

Get it? Poloncarz, as comptroller, presents arguments that undercut the county executive's claims. Collins, the candidate, responds with political hand grenades rather than substantive rebuttal, issued by a campaign operative rather than his office's budgeting or communications directors.

This week's sparring over the best way to accomplish short-term borrowing unfolded similarly. Poloncarz, the comptroller, wants to explore the bond markets himself before agreeing to allow the county to borrow through the county's control board to cover short-term cash needs. Collins sided Mychajliw, the campaign spokesman, to accuse Poloncarz of "**incompetence**" and "**petty politics**" that will cost the taxpayers, because Collins believes the control board can get a better interest rate on the notes than the county can and is peeved that Poloncarz is holding up the borrowing with his deliberations. Mychajliw further insinuated that Poloncarz would like to control the borrowing himself so as to solicit campaign donations from Wall Street. Poloncarz, as comptroller, responded that he is simply testing all the options, not ruling out borrowing through the control board. (He also pointed out that the Securities and Exchange Commission prohibits firms the comptroller deals with from contributing to his campaign.) He said the short-term borrowing could wait while he looks for the best deal, because the county has ample cash on hand.

Throughout his first term, Collins has sought to paint Poloncarz as overtly political in the use of his office as a check to the executive branch. But in the last week Poloncarz has done what a comptroller should do—vetted the county executive’s numbers, studied the bond markets—and the county executive’s response has been **raw, attack dog politics**. Both of these guys are campaigning, to be sure, but who seems more dedicated to good governance?

## Speaking of Contributions From Wall Street...

Collins for Our Future, the county executive’s campaign fund, has accepted \$7,445 in contributions from the Manhattan law firm **Hawkins Delafield & Wood**, according to campaign finance disclosure forms filed with the New York State Board of Elections. Friends of Mark Poloncarz has accepted \$2,075 from the firm.

Hawkins Delafield & Wood has acted as bond counsel to both the Erie County Fiscal Stability Authority and the Erie County Industrial Development Agency.

## Campaign Finance Among the Formers

In years past, we’ve enjoyed perusing disclosure filings from the the still fat campaign accounts of **Tony Masiello**, Buffalo’s former mayor, in order to ascertain what restaurants he was favoring in a given six-month period. It seems, however, that Tony either has ceased to dine out or is paying his checks from some other account: There were no restaurants on his expenditures list as of mid-July, just some hefty contributions to a number of charities; donations to the campaigns of Tim Kennedy, Brian Higgins, Dave Manz, and Mark Grisanti; and a whopping federal tax bill of \$16,557. Five and a half years after he left office, Masiello’s campaign account still boasts \$437,259.96.

- That gives Masiello the lead over former Erie County Executive **Joel Giambra**, whose account stood at \$414,952.08, as of the last filing deadline. Giambra has been burning through his checkbook in the last six months, spreading donations among 17 different candidates, in addition to handful of charitable contributions.

- Former State Senator **Antoine Thompson** reports having raised \$3,650.34 and spent \$3,474.95 in the first six months of 2011, which careful husbandry leaves his campaign account \$12,396.50 in debt.

- Former Assemblyman **Sam** started his new job in Cuomo administration, as vice president for regional development with the Empire State Development Corporation, on August 1. Hoyt has not filed a July 2011 campaign finance disclosure statement. For shame. Though, it must be noted, he only had about \$400 on hand in mid-January. The Democratic nominee to succeed Hoyt, long-time supporter and former Erie County Legislature chief of staff Sean Ryan, had not engaged in any fundraising or expenditures as of the filing deadline.

- These guys aren’t former anything, but we’ll include them nonetheless: **Kenneth Phillips**, who was given the Erie County Democratic Party’s blessing to primary incumbent North District Councilman **Joe Golombek** two weeks ago, has managed to dig up a little money: He’s raised \$2,303.26 and spent \$1,332.35. Golombek, unsurprisingly, has more than just incumbency and name recognition on his side: He’s also got almost \$17,000.

-geoff kelly



Plenty of Wallstreet money to go around.